

## **S. Corporation Deductions**

- 1. Returns, Allowances, Refunds, Rebates, NSF checks-reduces taxable income.**
- 2. Cost of Goods Sold: Purchases of Materials & Supplies, Outside Svc Contractors**
- 3. Compensation to Officers/Directors / Employee - W2**
- 4. Employees educational expenses - tuition of \$5,250.00 per person, books, supplies. Employees must receive W2 from Corporation.**
- 5. Repairs & Maintenance - If over \$1,000, Depreciate all improvements / repairs.**
- 6. Rental expenses - Real and Personal property, office rental, storage rental.**
- 7. Taxes & Licenses, Payroll Taxes, Franchise Taxes paid for the previous year, Personal Property Taxes, Excise Taxes and Sales Taxes, Real Estate Taxes on business property.**
- 8. Interest Expenses - Business related - Loans and Credit Card Interest - Promissory Note Required.**
- 9. AUTO/TRUCK-VEHICLE EXPENSES - HEAVILY AUDITED. MUST HAVE MILEAGE LOGS, AND ACTUAL RECEIPTS FOR GASOLINE, REPAIRS, MAINTENANCE AND OTHER VEHICLE EXPENSES.**  
**\*\* Machinery, Equipment, Office Furniture: Original purchase receipts required for Depreciation.**
- 10. Advertising, business promotions, marketing, networking, client development.**
- 11. Pensions, profit-sharing, other retirement plan contributions - Employee Benefits.**
- 12. Employee benefits programs - Health Insurance Premiums, Education, Dependent Care**
- 13. Business Gifts Deductible at \$25.00 per person per year**
- 14. Insurance - Worker's Compensation, General Liability, Disability / health Insurance Premiums, equipment Insurance, including Warranty.**
- 15. Janitorial expenses - office, landscaping and other related expenses.**
- 16. Laundry & Cleaning of Uniforms - not suits or business attire.**
- 17. Legal & Professional Fees, Tax preparation fees, License fees renewal.**
- 18. Meals & Entertainment - Business meals, your personal meals are not deductible!**
- 19. Office Expenses, Postage, Freight & Shipping, office supplies**
- 20. Organizational Expenses (\$5,000) max deduction.**
- 21. Outside Services, Contractors expenses - 1099 issued for over \$600**
- 22. Printing, Brochures, manuals, banners, stationery, business cards, envelopes, fliers, signs.**
- 23. MEALS-HEAVILY AUDITED-MUST HAVE ACTUAL RECEIPTS FOR BUSINESS MEALS**
- 24. Security Cameras, Alarm Systems - depreciate except for monthly fees**
- 25. Office supplies - pens, paper, ink, cartridges, drinking water, coffee, tea, creamers, sugars.**
- 26. Telephone & communication, Cell Phone, Fax Lines, DSL, Internet.**
- 27. Tools and small equipment that are less than \$1,000 can be deducted or amortized / depreciated.**
- 28. Travel, Hotel and other lodging - business related only. Proof will be required in an Audit.**
- 29. Seminars & Convention - Travel, Hotel, Lodging, Registration fees, Tips -airline vouchers may be required to be presented in an audit - must be business related, not vacation.**
- 30. Continuing Education, license renewal, Dues, Subscriptions, Memberships**
- 31. Utilities for use of home office - Business use - 20% or office area.**

- 32. Vehicle Expenses: Leased Vehicle - % of business use of monthly payment, gasoline, repairs, maintenance, insurance, parking, tolls, excise tax, sales tax, registration fees, towing, extended warranty expenses, tires, battery, parking & tolls.**
- 33. Vehicle Expenses: Purchased Vehicle - Actual expenses including sales tax except monthly payment which is not a deduction. The vehicle must be less than 3 years to maximize Sec. 179 Depreciation.**
- 34. Other Office Equipment - Need dates purchased, cost, & description for depreciation. (Office Furniture & Fixtures, Building sign, Capital Improvement, ADA renovations for disabled individuals, Office renovation & reconstruction. Computers, Machinery, Equipment, Cellphone, Printer, Drone and business assets used in the production of Income).**
- 35. Assistants - must be paid as payroll employees and not be issued 1099.**
- 36. Staging Professionals - Issue 1099 for payments over \$600.00**
- 37. Staging Supplies should be amortized if items are used in other properties later.**
- 38. Start Up Business Expenses - up to \$5,000.00 deductible initial year / organization cost.**
- 39. Charitable Donations - Pay from Corporation Bank Account - Flows through to Sch. A - 1040**
- 40. Tuition for Employees/Spouses or Taxpayer- allowed up to \$5250 if paid directly to the university.**
- 41. Housing fees are not deductible- Issue all Employees a W2 to cover housing allowances and excess tuition over \$5250.00. Corporations can reimburse or pay for educational supplies.**
- 42. OFFICE AT HOME-HEAVILY AUDITED- Business portion of Utilities/Internet is allowed. Do not use form 8829.**
- 43. Office must be used exclusively for business, including Depreciation for office.**
- 44. Entertainment: No longer deductible.**
- 45. Memberships to Clubs-not Deductible. Business meals/drinks allowed with receipts.**
- 46. Broker's Fees- deductible including desk rental space and other copy/office expenses.**
- 47. Drones, Camera Equipment, Tripod or Musical Equipment used for listing allowed.**
- 48. Tickets to sporting events is considered Entertainment and no longer allowed.**
- 49. Hunting Lease: Must be able to produce actual lease payments and actual expenses:**
- 50. Interest-Vehicles, Machinery, Equipment, Corporate Credit Cards deductible**
- 51. Interest in Business Loans-must provide Promissory Notes. Interest must be paid before year end on all Promissory Notes to or from Officers, Corporations or Financial institutions.**
- 52. List any other Business Deductions not identified- ensure you have receipts.**